



Announcement

To: Interested Parties

From: Department of Health and Human Services
Office of Mental Health, Substance Abuse and Addiction Services

Date: February 1990, Reissued: February 1999, Reissued on Web 3/2000
Revised 9/2002

Re: Establishment of Loan Program for Development of Self-Run and Self-Supported Group Homes for Recovering Substance Abusers (Oxford Model)

As part of P.L. 100-690, the Anti-Drug Abuse Act of 1988, Congress required that each state set up a \$100,000 revolving fund to encourage development of self-run, self-supported recovery houses for substance abusers. States are required to establish the revolving funds, announce their availability, and develop an application process to be eligible for continued funding under the Block Grant Program.

The law requires states to:

1. Establish, directly or through the provision of a grant or contract to a nonprofit private entity, a revolving fund to provide loans for the costs of establishing housing for individuals recovering from alcohol or drug abuse. Not less than six individuals must reside in each home.
2. Ensure that each loan made from the revolving fund does not exceed \$4,000 and each loan is repaid to the revolving fund no later than two years after the loan date.
3. Ensure that each loan is repaid through monthly installments and that a reasonable penalty is assessed for each failure to pay installments by the date specified in the loan agreement; and
4. Ensure that loans are made only to nonprofit private entities who agree to the following operational guidelines:
 - A. The use of alcohol or any illegal drug in the housing provided by the program will be prohibited;
 - B. Any resident of the housing who violates such prohibition will be expelled from the housing;

- C. The costs of the housing, including fees for rent and utilities, will be paid by the residents of the housing; and
- D. The residents of the housing will, through a majority vote of the residents, otherwise establish policies governing residence in the housing, including the manner in which applications for residence in the housing are approved.

Implementation

To implement the revolving loan fund the Office of Health and Well Being had developed the attached application. Additional forms may be obtained by copying this form, written request or by phoning the Office at (402) 479-5572. Applications will be accepted beginning immediately. Applications will normally be reviewed within 5-7 days of receipt at the Office. Normally funds should be available within 15 days.

Special Provisions:

1. Loans will be made to nonprofit private entities only.
2. Four percent simple interest will be charged on each loan and must be included in each monthly payment. (For example: Interest on a two year, \$4,000 loan would be $.04 \times \$4,000 \times 2 = \320 . Monthly installment would then be $\$4,320 / 24 = \180 .)
3. Monthly payments not received at the Department by the 15th of the month may be assessed a \$25.00 late fee.
4. In case of default, reclaimable items purchased with loan funds will revert to the State.
5. The nonprofit agency accepting the loan will be required to provide the Office with data, such as average length of stay, socioeconomic characteristics of residents, reasons for turnover in the house, etc. in sufficient detail to meet reporting requirements of the Block Grant Program.

The loan program is available to established treatment programs or other nonprofit organizations for the purpose of sponsoring satellite alcohol/drug free housing. The sponsor must demonstrate, however, that while the home is under the sponsorship of the nonprofit agency, the residents of the recovery home will have full control and responsibility for managing the house and have exclusive authority to screen and approve prospective residents. The residents of the home must bear the responsibility for paying all housing costs and for repayment of the loan.

The loan program is also available to groups of at least four recovering individuals who are not affiliated with any particular treatment program. Each co-applicant must be alcohol and / or drug free.

HHSS/BH 901-a1
9/2002 Robert J. Bussard

**Nebraska Department of Health and Human Services
Office of Mental Health, Substance Abuse and Addiction Services
P.O. Box 98925
Lincoln, NE 68509-8925**

**APPLICATION FOR LOAN
GROUP HOME FOR RECOVERING SUBSTANCE ABUSERS**

I. Information About The Facility

Name:	
Street Address:	
City:	
Date Occupancy Expected:	Number of Beds: _____ Male: Female:

II. Information about Sponsoring Nonprofit Organization:

Name:
Address:
City, State, Zip:
Federal ID Number:
Contact Person, Phone, FAX:

III. Names and Permanent Home Addresses of Four (4) Persons residing at the Facility Address (if no permanent address so state):

1....

Name:	Date of Birth:
Street Address:	
City, State, Zip:	
Federal I.D. Number/SSN:	

2....

Name:	Date of Birth:
Street Address:	
City, State, Zip:	
Federal I.D. Number/SSN:	

3....

Name:	Date of Birth:
Street Address:	
City, State, Zip:	
Federal I.D. Number/SSN:	

4....

Name:	Date of Birth:
Street Address:	
City, State, Zip:	
Federal I.D. Number/SSN:	

IV. Assurances / Terms Of Loan
Group Home For Recovering Substance Abusers

In signing the applicant gives assurance that the loan approved by the Nebraska Department of Health and Human Services Office of Mental Health, Substance Abuse and Addiction Services will be used in accordance with the following stipulations:

1. Stipulates that the applicant is a nonprofit entity.
2. Agrees to make monthly installments as described below by the 10 th of each month following approval of the loan.
3. Agrees to pay a \$25 late charge for payment received by the Office after the due date.
4. Agrees to pay four percent simple interest on the amount of the loan.
5. Agrees that in the operation of the program established pursuant to the loan that:
a. Housing will be provided for at least four individuals recovering from substance abuse;
b. The use of alcohol or any illegal drug in the housing provided by the program will be prohibited.
c. Any resident of the housing who violates such prohibition will be expelled from the housing;
d. The costs of the housing, including fees for rent and utilities, will be paid by the residents of the housing; and
e. The residents of the housing will, through a majority vote of the residents, otherwise establish policies governing residence in the housing, including the manner in which applications for residence in the housing are approved.
6. Provide data to the Office such as average length of stay, socioeconomic characteristics of resident, reasons for turnover in the house and other non-client identifying information in sufficient detail to meet reporting requirements of the Federal Block Grant Program.

7. The applicant agrees that they shall pay _____ each month beginning with the first payment due _____ and continuing each month until _____. The final payment shall be _____ due and payable on _____. The amount of the loan shall be _____ With interest total payments amount to _____.

Please note: (Loan is given in month 1, first payment is due by the 10 day of month 3.)

V. Information About Loan

1. Loan request (Maximum \$4,000): \$ _____
2. Loan Repayment Dates
Begin: _____ End: _____
Not More Than 2 Years
3. Purpose of Loan (indicate which and specify amount)
 - A. Security Deposit: _____
 - B. First Month's Rent: _____
 - C. Furnishings: _____
 - D. Others (Attach Description): _____

VI. Applicant Signatures

The undersigned hereby certifies that his loan request is made in support of the establishment of housing in which individuals recovering from alcohol or drug abuse may reside in groups of not less than six individuals. The applicant(s) understand that in accepting this loan that it will be repaid in monthly installments. Payments received more than fourteen (14) days after the due date will be assessed a late fee of \$25 which must be paid with the next installment. The applicant further certifies that information provided for this loan application is true and further agrees to provide a monthly report on residents entering or leaving the home and the number of current occupants:

Signature:	Date:
Signature:	Date:
Signature:	Date:
Signature:	Date:

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